

REPORT OF THE DEPARTMENT
OF
NATIONAL DEFENCE
(NAVAL SERVICE)
CANADA

FOR THE
FISCAL YEAR ENDING MARCH 31
1923

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OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1923

OTTAWA, August 9, 1923.

*To General His Excellency the Right Honourable Lord Byng of Vimy, G.C.B.,
G.C.M.G., M.V.O., Governor General and Commander in Chief of the
Dominion of Canada.*

MAY IT PLEASE YOUR EXCELLENCY:

I have the honour to submit herewith for the information of Your Excellency and the Parliament of Canada, the First Annual Report of the Department of National Defence (Naval Service), being for fiscal year 1922-23.

I have the honour to be,

Your Excellency's most obedient servant,

E. M. MACDONALD,
Acting Minister of National Defence.

OTTAWA, August 8, 1923.

The Honourable

The Minister of National Defence,
Ottawa, Ont.

SIR,—I have the honour to enclose herewith Annual Report of the Department of National Defence (Naval Service) for the fiscal year ended March 31, 1923.

I have the honour to be, sir,

Your obedient servant,

G. J. DESBARATS,

Acting Deputy Minister.

OTTAWA, May 21, 1923.

G. J. DESBARATS, Esq., C.M.G.,
Deputy Minister, Department of National Defence,
Ottawa, Ont.

SIR,—I have the honour to report on the Department of National Defence (Naval Service) for the fiscal year ended March 31, 1923, under the following headings:—

1. H.M.C. Ships.
2. R.C.N. Establishments.
3. H.M.C. Dockyards.
4. Naval Intelligence.
5. Royal Canadian Naval Personnel.
6. Civilian Employees of the Naval Service.
7. Naval Stores.
8. General.
9. Financial Statement.

1. H.M.C. SHIPS

The annual report of the Department of Naval Service for the fiscal year 1921-22 gave full particulars of H.M.C. ships up to and including June 30, 1922. The following report covers the activities of H.M.C. ships from July 1, 1922, to March 31, 1923.

On July 1, H.M.C.S. *Patriot* and *Patrician* were the only two ships of the Canadian Navy in commission; both ships were at Halifax.

H.M.C.S. "PATRIOT"

The Royal Navy ratings in H.M.C.S. *Patriot* were discharged and replaced by young Canadians. The *Patriot's* crew was accordingly nearly 40 per cent untrained, and the ship was used entirely for training purposes. During the year she carried out cruises as follows:—

From August 14 to September 2 the ship visited Shelburne, Liverpool, Lunenburg, Chester and St. Margaret's Bay.

This cruise was entirely for training purposes and elementary training in gunnery, torpedo and seamanship was given. The cruise was successful from a training point of view and the ship was well received at each place visited.

On September 19, *Patriot* was sent to Lunenburg to take part in the celebration of Fishermen's Day (September 20). From Lunenburg the ship proceeded to Halifax for refit.

During October the ship was placed at the disposal of the Fishing Schooner Race Committee to assist in the elimination races in preparation for the International schooner race. The vessel rendered valuable assistance in the regulating of the race, generally, and continual use of her services was made.

The ship was opened to visitors at each of the Canadian ports at which she called and was on such occasions continually crowded with visitors. The visitors, particularly those following the sea, were very interested in the ship's appliances and in many instances requested to be taken on cruises.

On October 13 she proceeded to Gloucester, Mass., with the schooner *Blue-nose* in tow for the international schooner race. While at Gloucester she was at the disposal of the Canadian Race Committee. The members of the Canadian Race Committee expressed to the department their appreciation of the services rendered by the *Patriot* throughout the races.

After the races the *Patriot* brought back to Lunenburg the body of Captain Bert Demore, of the schooner *Bluenose*, who was accidentally drowned at Gloucester.

Upon returning from the international schooner races the *Patriot* remained at Halifax, while her ship's company took their summer's leave.

On December 27 *Patriot* sailed for Bermuda. The passage was an unusually stormy one but the ship arrived at Bermuda on December 29 without sustaining any damage. The passage to Bermuda, under the weather conditions existing, was a creditable feat for a ship of this class, and not only proved the seaworthiness of the ship but also the ability of her Commanding Officer and complement.

Upon arrival at Bermuda training was carried out and all facilities were given to the ship's company by the Commander-in-Chief, North America and West Indies Station, who arranged for the training facilities of H. M. ships at Bermuda to be available to the ship's company of the *Patriot*. Instructors from the Imperial ships were loaned whenever required. The facilities given are highly appreciated by the department, as without the help of the Imperial authorities training would have been greatly handicapped. I wish to take this opportunity of expressing appreciation to the Commander-in-Chief, North American and West Indies Squadron.

The training cruise to Bermuda has resulted in a marked improvement in the whole ship's company and the officers and men are evincing a very keen interest in their work.

The *Patriot* returned to Halifax on March 17, 1923. The ship remained at Halifax, under refit, up to March 31, 1923.

The following is a detailed statement of movements of H.M.C.S. *Patriot*:—

MOVEMENTS OF H.M.C.S. *PATRIOT* FROM MARCH 30, 1922, TO MARCH 31, 1923

Sailed	For	Arrived
Trinidad, B.W.I.		
30-3-22	Bermuda.....	4-4-22
8-4-22	Halifax, N.S.....	11-4-22
14-8-22	Shelburne.....	15-8-22
21-8-22	Liverpool, N.S.....	21-8-22
23-8-22	Lunenburg, N.S.....	23-8-22
26-8-22	Chester.....	26-8-22
31-8-22	St. Margaret's Bay.....	(Exercising)
1-9-22	Halifax.....	1-9-22
19-9-22	Lunenburg.....	19-9-22
21-9-22	Halifax.....	21-9-22
11-10-22	Gloucester, Mass.....	14-10-22
27-10-22	Boston.....	27-10-22
29-10-22	Lunenburg.....	30-10-22
30-10-22	Halifax.....	30-10-22
27-12-22	Bermuda.....	29-12-22
15-3-23	Halifax.....	17-3-23

H.M.C.S. "PATRICIAN"

From July 1 to August 14 the *Patrician* was stationed at Halifax. Between August 14 and September 2 the following Canadian ports were visited by the *Patrician* in company with *Patriot*:—Shelburne, Liverpool, Lunenburg, Chester and St. Margaret's Bay.

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The *Patrician* also accompanied *Patriot* to Pictou on September 13 for the celebrations there and then proceeded to Lunenburg for the Fishermen's Day celebrations on September 20. She then returned to Halifax to prepare for her voyage to Esquimalt, on which station she has been placed.

The *Patrician* left Halifax for Esquimalt on October 1, and called at the following places:—Bermuda, Jamaica, Balboa, La Libertad, San Pedro, and Esquimalt.

At La Libertad the *Patrician* was in company with H.M.S. *Capetown*. Her 3,600 mile cruise was completed on October 30, on which date she arrived at Esquimalt. The port was reopened as a naval base and during November the *Patrician* was engaged in organization duties.

On December 5 she proceeded on a cruise to Prince Rupert. This cruise gave the officers and men an opportunity of obtaining local knowledge of the west coast. The distance covered was approximately 1,100 miles. The inland shipping route was followed and valuable knowledge obtained, as the currents and tides of this route are intricate. Stops of one day were made at each of the following places:—Comox, Alert Bay, Prince Rupert, Nanaimo and Vancouver.

The *Patrician* returned to Esquimalt on December 19, and was refitted. She remained at her base at Esquimalt during the remainder of the year.

The following is a detailed statement of the movements of H.M.C.S. *Patrician*:—

MOVEMENTS OF H.M.C.S. *PATRICIAN* FROM MARCH 30, 1922, TO MARCH 31, 1923

Sailed	For	Arrived
Trinidad, B.W.I.		
30-3-22	Bermuda.....	4-4-22
8-4-22	Halifax, N.S.....	11-4-22
14-8-22	Shelburne.....	15-8-22
21-8-22	Liverpool, N.S.....	21-8-22
23-8-22	Lunenburg.....	23-8-22
26-8-22	Chester.....	26-8-22
31-8-22	St. Margaret's Bay.....	(Exercising)
1-9-22	Halifax.....	1-9-22
14-9-22	Pictou.....	14-9-22
16-9-22	Halifax.....	16-9-22
19-9-22	Lunenburg.....	19-9-22
21-9-22	Halifax.....	21-9-22
1-10-22	Bermuda.....	3-10-22
4-10-22	Kingston, Ja.....	8-10-22
11-10-22	Balboa.....	13-10-22
14-10-22	La Libertad, Salvador.....	16-10-22
17-10-22	Acapulco, Mexico.....	19-10-22
20-10-22	San Pedro, Cal.....	25-10-22
27-10-22	Esquimalt.....	30-10-22
5-12-22	Comox.....	5-12-22
6-12-22	Menzies Bay.....	6-12-22
7-12-22	Alert Bay.....	7-12-22
9-12-22	McLaughlin Bay.....	9-12-22
10-12-22	Lowes Inlet.....	10-12-22
11-12-22	Prince Rupert.....	11-12-22
13-12-22	Carter Bay.....	13-12-22
14-12-22	Safety Cove.....	14-12-22
15-12-22	Blinksop Bay.....	15-12-22
16-12-22	Nanaimo.....	16-12-22
17-12-22	Vancouver.....	17-12-22
18-12-22	Esquimalt.....	18-12-22

MINESWEEPERS

During the year the *Festubert* and *Ypres* (east coast), *Armentieres* and *Thiepval* (west coast) were refitted preparatory to being placed in commission. These vessels are to be used for training the Reserve Forces and active service

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ratings in minesweeping and hydrophone work, and also for giving recruits coastal knowledge. The complements of the minesweepers will live in barracks when not actually at sea. These complements will be utilized for the training of Reserve Forces.

SHIPS IN RESERVE

H.M.C.S. *Aurora* and submarines *C.H. 14* and *C.H. 15* have been placed out of active commission and are held in reserve. These ships are being kept in good condition and are not deteriorating. The submarines, particularly, are being maintained so that they may be brought into active commission at short notice should they be required.

2. R. C. N. ESTABLISHMENTS

R. C. N. BARRACKS, HALIFAX

The Royal Canadian Naval Barracks, Halifax, is established solely for training purposes for ratings of the Royal Canadian Navy, Royal Canadian Naval Reserve and Royal Canadian Naval Volunteer Reserve.

During the past year training was handicapped owing to the reduction in the instructional staff, and the reorganization of the barracks. During the three months preceding March 31, however, a marked improvement has been noticed and a large number of volunteers to sit for the higher educational test for advancement to Petty Officer have been given necessary educational training. Classes of young seamen and boys have been under continual instruction for advancement to Able Seamen. There are at present forty-two (42) of these younger ratings under instruction, all of whom are Canadians. They are showing keen interest in their profession and the reports on their development indicate that they will render highly efficient service as members of the Royal Canadian Navy.

For the purpose of giving efficient training the following new facilities have been added:—

- (a) Drill shed.
- (b) Gun battery.
- (c) Parade ground.

Drill Shed.—This building was constructed during the war. Since the termination of hostilities it has been used for the storage of guns and mountings. It has, however, again been fitted as a drill shed and will be used in the training of all ratings of the service, and also for training men in cold or bad weather.

Gun Battery.—This Battery is being equipped with all the latest gunnery training appliances, including guns of all caliber of 6-inch and below, fire-control system, shooting teachers, light director installation and modern range-finder appliances. It will give the service a complete shore training establishment wherein R.C.N. ratings may be given detailed instructions in stripping, gun drill, etc., on shore.

Parade Ground.—A suitable parade ground is of primary necessity in disciplinary training. Rifle and marching exercises have been found, from experience, to be the only certain solution of disciplinary training, which is the teaching of men to obey orders. The parade ground which has been built at the R.C.N. barracks, Halifax, will provide facilities for the proper training of ratings generally.

The facilities and equipment for training at the R.C.N. barracks, Halifax, have now been placed on a modern basis and up-to-date instruction in various

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branches has now been rendered possible. These facilities will be used for training members of the Royal Canadian Navy, Royal Canadian Naval Reserve and Royal Canadian Naval Volunteer Reserve.

R.C.N. BARRACKS, ESQUIMALT

The Royal Canadian Naval Barracks, Esquimalt, have been organized in the building formerly used for the Naval Hospital. They will contain the same training facilities as the R.C.N. Barracks, Halifax, and will be organized along the same lines.

TRAINING

Since July 1, 1922, ten (10) lieutenants of the Royal Canadian Navy have been sent to England to qualify in specialist naval subjects, including signalling, torpedo, intelligence, navigation, physical and recreational training, gunnery, etc.

Thirty-four (34) naval ratings have also been sent to England for special qualifying course as follows:—

- 1 Petty Officer for Gunlayer 1st Class.
- 1 Leading Seaman for Gunlayer 2nd Class.
- 2 Leading Seamen for Light Director Layer.
- 1 Ordnance Artificer.
- 1 Electrical Artificer.
- 2 Leading Signalmen for Yeoman of Signals.
- 1 Shipwright for Artificer Diver.
- 9 Able Seamen for Seamen Torpedoman.
- 15 Able Seamen for Seamen Gunner.
- 1 Able Seaman for Leading Torpedoman.

The facilities which the British Admiralty have placed at the disposal of the department for the training of naval ratings at the Specialist Schools have been valuable.

Young Canadians who are entering the Royal Canadian Navy receive the same facilities for specializing as Royal Naval ratings and the whole Royal Canadian Naval Force is quickly developing into a highly trained and efficient fighting unit.

The department very highly appreciates the facilities which the British Admiralty are giving for the training up of young Canadian officers and Men.

3. H.M.C. DOCKYARDS

HALIFAX DOCKYARD

During the year, with the curtailing of the activities of the Squadron, resulting in the placing in reserve of H.M.C.S. *Aurora* and H.M.C. submarines *C.H. 14* and *C.H. 15*, steps were taken to reduce the Dockyard personnel and place the establishment on a semi-closed basis temporarily, following the refits of H.M.C.S. *Patriot* and *Patrician* and the laying up of the ships for reserve.

Prior to the closing down of the Dockyard, work was performed to ships of other Government departments, and afterwards minor repairs necessary to maintain the Establishment in a condition of good repair and preservation were carried out, also work in preparation for the new Training Establishment. Specifications were prepared for work necessary to ships and other works and supervision of a technical nature provided as required.

ESQUIMALT DOCKYARD

The general operation of this Dockyard as a repair base was restricted, being a continuation of the 1921-22 policy. Greater minor activities, however, were experienced, due principally to a Training Squadron being based in this district.

Much technical assistance was afforded other Government services with regard to ships, and work performed in the preparation of specifications and supervision of work carried out by contract.

4. NAVAL INTELLIGENCE

The Naval Intelligence Branch of the Naval Service, which was reorganized and brought into line with Admiralty Intelligence Services early in 1921, has functioned well during the past fiscal year.

In addition to the routine reports on Naval Intelligence, Shipping, Trade Routes, etc., in the Ottawa area, a Coast Report of the principal Canadian Ports has been undertaken. The Department of Public Works and the Harbour Commissioners of Montreal are co-operating with the Naval Intelligence authorities in compiling the information and have given valuable assistance.

The whole Intelligence Service is developing along lines highly satisfactory to the Admiralty and to the Canadian Naval authorities, and new spheres of activity are being gradually taken over by the branch.

Co-operation between the Canadian Naval, Militia and Air Services has been established. Under the Department of National Defence the three services are enabled to co-operate in the closest possible manner.

5. ROYAL CANADIAN NAVAL PERSONNEL

ROYAL CANADIAN NAVY

The personnel of the Royal Canadian Navy is composed of 405 officers and men of the Royal Canadian Navy. Under present organization this constitutes the permanent Naval Force of Canada.

The officers and men are allocated to the Naval Barracks, Halifax and Esquimalt, and H.M.C.S. *Patriot* and *Patrician*. A number are also undergoing courses at English Training Schools and some of the officers and men are on loan to ships of the Royal Navy.

On July 1, 1922, the total Naval personnel of the Royal Canadian Navy was reduced to meet the requirements of the reorganized Naval Service under the Department of National Defence. Imperial ratings, who were on loan to the Royal Canadian Navy, were returned to England and a considerable number of special service men were retired. Officers who were surplus to requirements were also retired. Officers on retirement were granted one month's pay for each completed year of service. Special service ratings were granted the gratuity which they would have received had they completed their engagement and continuous service men were granted one month's pay for each completed year of service under their current engagement.

The Royal Naval College of Canada was also closed down and the personnel discharged as the complement of officers was sufficient to meet the requirements of the service for some years. The officers and men who remained in the service were reallocated to the Royal Canadian Naval Ships and Establishments. They have shown enthusiasm during the past year and have carried out their duties in a highly efficient and satisfactory manner.

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ROYAL CANADIAN NAVAL RESERVE

The Royal Canadian Naval Reserve will consist of 500 officers and men who will be drawn from among those following a seafaring life. The training and regulations governing this force are following closely the lines found by many years of experience to be suitable to the corresponding auxiliary force of the Royal Navy, viz., the Royal Naval Reserve. Officers and men in order to be eligible for entry must,—

- (a) Be British subjects domiciled in Canada.
- (b) Be of good character.
- (c) Be medically fit.
- (d) Not belong to any other of H.M. Forces.
- (e) Be willing to serve for five consecutive years.
- (f) Be willing to serve where required.
- (g) Be employed in a seafaring capacity.
- (h) Be above 18 and under 35 years of age

They will be required to perform fourteen days' training yearly in a Naval Ship or establishment. They will be paid a yearly retainer fee so long as they fulfil the conditions laid down by the Regulations. The amounts of retainer fees payable will be as follows:—

Officers—approximate.....	\$ 100.00
Chief Petty Officers and Petty Officers.....	80.00
Leading rates.....	64.00
Other rates.....	48.00

Recruiting for this Force was not undertaken during the past fiscal year but it is hoped that the Force will be fully organized during the summer of 1923.

ROYAL CANADIAN NAVAL VOLUNTEER RESERVE

The Royal Canadian Naval Volunteer Reserve consists of 1,000 officers and men recruited from among Canadian citizens who do not follow the sea as a profession. Company Headquarters have been established at—

Halifax,	Ottawa,	Edmonton,
Charlottetown,	Toronto,	Regina,
St. John, N.B.,	Hamilton,	Saskatoon,
Quebec,	Winnipeg,	Vancouver,
Montreal,	Calgary,	Victoria.

In organizing this Force it has been essential to have each province represented according to its population and the facilities for training available. On the other hand it has been necessary to keep the total Force within the limits approved. Company Headquarters were accordingly formed in the large centres only of each province. The department found that companies could easily have been formed in many other localities throughout Canada but has considered it advisable to limit company formation to the cities originally chosen. No difficulty has been experienced in obtaining recruits and it is expected that the companies will be formed early in the summer of 1923 and training at the Naval Bases will be carried out for all companies.

The following are briefly the qualifications necessary for entry in the R.C.N.V.R.:—

- (a) Must be British subjects.
- (b) Must not belong to any other of H.M. Forces.
- (c) Must be willing to serve where required.
- (d) Must sign engagement for three years.
- (e) Must take the Oath of Allegiance.
- (f) Must be medically fit.
- (g) Must be above 18 and under 32 years of age (except officers, chief petty officers and petty officers, who may be entered between the ages of 18 and 40).

Drill.—Officers and men of the R.C.N.V.R. will be required to perform at least thirty (30) drills a year at Company Headquarters to qualify as efficient, which is essential in order to be allowed to remain in the Force. These drills will consist of instructions on the following subjects: Gunnery, Torpedo, Seamanship, Discipline, other general Naval subjects. The drills will last from one to two hours. Men attending Company Headquarters' drills will receive a small sum to defray out of pocket expenses.

Petty Officer Instructors, R.C.N.V.R., have been appointed for each Company Headquarters to instruct recruits in Naval subjects. These Petty Officer Instructors were chosen from a large number of applicants and each one has served in the Navy as Petty Officer or Chief Petty Officer of V.G. character and superior ability. The Petty Officer Instructors are full time employees and will be enabled to devote all their time to the training of recruits, preparation of records, care of Company Headquarters' records, etc. In order to ensure that they would be posted in the subjects which they are required to teach Petty Officer Instructors were sent to the Naval Bases at Halifax or Esquimalt for one month's Refresher Course, where it was ascertained that they were competent to take up their duties, and where they were given a general review of the subjects in which they are to give instruction.

In addition to Company Headquarters' Drills R.C.N.V.R. recruits will be required each year to train for a period of two weeks at the Naval Bases at Halifax or Esquimalt. The necessary equipment for their training at Naval Bases has been installed and each Company formed will be given every opportunity to train and qualify as a highly efficient Reserve unit.

6. CIVILIAN EMPLOYEES OF THE NAVAL SERVICE

Concurrent with the reorganization of the Naval personnel the civilian staffs of the Department, both at Ottawa and at H.M.C. Dockyards, Halifax and Esquimalt, were reorganized. The civil naval employees at Headquarters under the Director of the Naval Service who are permanent civil servants have been reduced to eighteen (18).

The Naval Purchasing, Naval Accounts and Naval Record systems have been amalgamated with similar services of the Militia and Air Board in the formation of the Department of National Defence. These services are functioning in a satisfactory manner.

All temporary employees of the Naval Service have been discharged and the work is being performed with a minimum number of civilian employees.

GENERAL

The Royal Canadian Navy and the services connected therewith are now well advanced under the new conditions arising from the amalgamation of the Naval Department with the Militia and Air Board, under the Department of

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National Defence. Officers and men of the Royal Canadian Navy, as well as civilian employees, have rendered very satisfactory service, and have assisted in the organization of the Naval Service along lines which are economical, and which at the same time admit of ready expansion should an emergency arise.

7. NAVAL STORES

On the amalgamation of the Naval, Militia and Air Services under the Department of National Defence, the organization of the Naval Stores Branch has been changed to the extent that the work and personnel of the former Purchasing and Contracts Division are now under the Contracts Branch and the work and personnel of the Stationery and Printing Division under the Printing and Stationery Branch of the department.

The true functions of the branch remain intact, which for organization purposes are divided into two main divisions, viz., the Naval and Victualling Stores Division, comprising the Supply Depots at the Dockyards, and the Naval Armament Supply Division, likewise comprising the Naval Armament Supply Depots.

NAVAL AND VICTUALLING STORES DIVISION

The functions of this division are (a) the determination of the class, kind and quality of stores for use in the service, involving the preparation of specifications and the selection of sealed patterns; (b) the determination in all cases of the quantities of the various kinds of stores to be supplied; (c) the maintenance of adequate stocks and reserves at the Supply Depots to meet all requirements; (d) the determination of authorized allowances of each specific store for the various ships and establishments from time to time, and the revision thereof as necessary; (e) the transportation of stores between Dockyards and to various points as required by inland establishments and to meet the exigencies of the service; (f) the custody, care and safekeeping of all naval and victualling stores from the time of receipt until finally disposed of by sale, destruction, etc.; (g) the regulation of the receipt, issue, storage, return and accounting for these stores until finally disposed of; (h) the victualling of all Naval personnel; (i) the determination of financial requirements for stores and allowances in lieu of stores under the parliamentary estimates, as well as maintaining a close check throughout the year on actual liabilities incurred against the Stores appropriation; (j) the determination of allowances to be granted in lieu of stores and for storekeeping duties, etc.; (k) the determination of surplus quantities of stores from time to time as these occur through changes in policy, etc.; and (l) in general, the preparation of instructions and regulations in regard to all stores matters, including those pertaining to the use of stores, such as the Uniform and Clothing Regulations.

The supply work of the branch is organized primarily for the supply and equipment of men-of-war and of auxiliary services with every possible expedition and to render the maximum assistance possible for their efficient maintenance. Though now on a peace time basis, the organization is necessarily such that under any emergency all existing facilities are capable of expansion and development at a moment's notice to provide for whatever requirements may arise. At the present time, the necessary trained personnel and storing facilities available at the dockyards are adequate to satisfy present requirements and at the same time constitute a nucleus for an emergency.

During the year supplies of stores were arranged for vessels of the Canadian Naval Service. The greatest possible economy was exercised in this by the transfer of stores between dockyards, and by shipment to other points as necessary. Service has also been rendered at Halifax to sixty-five and at Esquimalt

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to forty-four ships and establishments, including small craft, and vessels and services not under the control of the department, including the Imperial Service. Supply Depots are maintained at both Halifax and Esquimalt Dockyards. These are in charge of experienced store officers who supervise the work and who are responsible to the Director of Naval Stores for the performance of the duties allotted to them. It is their duty to be prepared at all times to provide and issue supplies of whatever nature required to all ships and establishments under the jurisdiction of the department and to such others as may be approved by Headquarters; to make a strict and careful accounting of all such issues; and to see that all supplies purchased are in accordance with specifications and in other respects suitable for the service. The variety of stores handled is necessarily very wide and includes staple provisions; uniforms and clothing of all kinds, and clothing materials; lumber of all kinds; metal of all kinds and in every state of manufacture; hardware and tools; textiles and cordage; packings and rubber goods; paints, oils, glass, leather goods, brushes, furniture and furnishings, tackle, navigating instruments, charts and other miscellaneous supplies of every nature; electrical stores of a very wide range; and coal and oil fuel. In the inspection and selection of this wide range of stores expert knowledge and wide experience are essential. For ships of war particularly, excellence of quality and reliability are of most vital importance. To this end standardization of supplies and a rigid system of inspection constitute two important factors of the supplies organization.

The nature of the service demands that substantial reserves be maintained at each naval base and kept readily available at all times. In time of peace, ships' requirements can be forecasted very accurately, their allowances being carefully regulated. Ordinarily, and within reasonable limits, these reserves are based upon six months' requirements for all purposes. Owing to the large reserves which were available at the end of the war, increases have only been made in the case of those items since depleted. On the other hand, steps to dispose of surplus quantities have been continued. At the close of the fiscal year 1922-23, the reserve at Halifax totalled in value \$1,705,356.33, and at Esquimalt \$704,501.72. In addition to the stores actually carried at the supply bases, contracts are maintained on both coasts for supplies of fresh provisions, coal, ice, etc., for the convenience of ships operating in adjacent waters. These are made applicable to, and are taken advantage of, by ships of the Imperial Service.

The volume of business transacted in 1922-23 at both dockyards is reflected in the following brief statistics:—

		Number transactions involved
HALIFAX DOCKYARD—		
Value of stores received.....	\$ 68,890.18	977
Value of stores returned.....	381,700.46	3,240
Value of stores issued.....	334,317.01	6,156
ESQUIMALT DOCKYARD—		
Value of stores received.....	46,266.26	783
Value of stores returned.....	13,481.86	988
Value of stores issued.....	100,497.15	3,283

During the year the total value of naval and victualling stores purchased for delivery to the dockyards and to services direct amounted to \$369,535.96.

The overhead costs at the Dockyards in connection with the supply of stores to all ships and establishments for the year under review were 16.45 per cent at Halifax, and 20.7 per cent at Esquimalt. These percentages embrace all costs of whatever nature incidental to the maintenance and operation of the supply bases. Though the percentages have increased in the past year, an appreciable saving in the actual costs has been affected. The increase in the percentage is due to the falling off in the value of issues, particularly at Esquimalt, during the period of transition prior to the inauguration of the present naval policy.

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The audit of all stores accounts had been continued with satisfactory results. Not only the Dockyards but the ships and establishments connected with the department keep store accounts in which receipts and expenditures are fully recorded. It is one of the functions of the branch to control the consumption of all stores so long as their serviceability continues. Each officer responsible for the custody and expenditure of stores of whatever nature makes a full accounting for them and reports direct to Naval Headquarters, where the audit is carried out. In the case of the store accounts of the Dockyards, the system of concurrent audit at Headquarters has been continued with great success and serves not only as an audit but also affords Naval Headquarters information on stores matters at all times as an integral part of the system of stores control.

The system of binennial stocktaking whereby the stocks at both Dockyards are completely reviewed in the course of two years has been continued and good progress made. The results of the stocktaking made are on the whole very gratifying and testify to the efficient manner in which the staffs concerned have performed their duties.

The system of general messing whereby the complements of vessels of the naval and auxiliary services are victualled by the department direct has been continued with very satisfactory results. This system was established in vessels of the Royal Canadian Navy in 1910, where it has always proven satisfactory. The essential features of the general messing system are direct control of the stewards, the supply of stores purchased by contract, and a particular naval headquarters audit. The system has effected a considerable saving in the cost of victualling ships of the department. During the past year the average cost of victualling was 53 cents per man per diem.

Efforts to effect sale of the remaining vessels in the possession of the department, as well as of Admiralty vessels, were continued during the year. As a result the department succeeded in disposing of the *Petrel*, *Hochelaga*, and *Drifter No. 23*. The interests of the Crown have been vigilantly guarded in connection with vessels sold under mortgage. The sale of surplus stores has also been continued. The sum realized by the disposal of excess stocks amounted to \$148,469.35.

NAVAL ARMAMENT SUPPLY DIVISION

The work of the Naval Armament Supply Division has not been materially affected by the amalgamation of the various services under the Department of National Defence.

The functions of this division are, in general terms, the supervision and control of all matters pertaining to the provision, receipt, issue, care and maintenance, repair, testing, examination, accounting and audit of all Naval Armament stores, comprising ordnance, ordnance stores, ammunition, torpedoes, torpedo stores, paravanes and depth charges in connection with the Canadian Naval Services and the Imperial Service at both Halifax and Esquimalt. The nature of these functions may be illustrated by the following particular work performed: (a) determination of the specific class of guns, spare parts and ammunition for the particular vessel concerned; (b) determination of the quantities to be supplied and adequate reserves for replacements; (c) the immediate withdrawal of ammunition from ships and stocks due to obsolescence, deterioration, age and failures to pass the prescribed tests on examinations; (d) the transportation of ordnance and ammunition between depots and to inland establishments in order to ensure an adequate supply to ships at various points; (e) the careful recording of magazine temperatures in order to maintain a temperature as near 70° F. as possible at all times, as changes of temperature very materially affect the ballistics of cordite; (f) the constant inspection, examination and heat testing of cordite, to ensure its stability (g) the immediate destruction or disposal of all explosives so ordered; (h) the examination

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and preservation of all guns, gun mountings, torpedoes and paravanes in reserve the fitting of all component and spare parts to ensure their accurate fitting and functioning; (i) the carrying out of air vessel tests of torpedoes, in store, and on board ships, their parting and cleaning, testing of gyroscopes and general overhaul; (j) the periodical stripping of paravanes, the removal of the mercury, replacing of rubber washers and reassembling and testing; (k) determination of financial requirements for Naval Armament stores under the parliamentary estimates as well as maintaining a close check through the year against the appropriation; (l) the supply of instructional appliances for the R.C.N.V.R. Company Headquarters; (m) the regulation of the care, maintenance and custody of Naval Armament stores for the various establishments, and (n) carrying out of a continuous stocktaking of Naval Armament stores for both Imperial and Canadian stocks.

The Naval Armament Supply Depots maintained at Halifax and Esquimalt comprise storehouses, where the necessary facilities for the care, issue and receipt of guns, gun mountings and torpedoes are available, magazines for the proper stowage, care and maintenance of the respective classes of explosives, and workshops for carrying out the necessary repairs and alterations to ordnance and ordnance stores authorized by the list of changes in war material.

The Magazines at Halifax are situated at Fort Clarence and Georges Island. These places were originally used as gun batteries, are very old, and although they do not wholly meet modern requirements, they have been made efficient and safe. To this end new and powerful electrically driven pumps and a system of fire alarms have been installed, in order to provide adequate fire protection. These pumps can be operated to throw a stream of water at 120 pounds pressure in less than three minutes and a test recently carried out proved their efficiency. The fire alarms consist of 12-inch gongs worked by a powerful spring which functions by the simple process of breaking a small glass.

At Esquimalt the magazines are situated at Cole Island and although very old, are still serviceable. They have been lately improved by having cement floors laid in order to avoid the accumulation of any inflammable dust. There are fire hydrants connected to the mainland water supply, with all necessary appliances installed on the island.

During the past year the guns, gun mountings, fire control instruments, searchlights, etc., have been removed from H.M.C.S. *Aurora* and distributed between the newly organized R.C.N. Barracks at Halifax and Esquimalt to be used for training purposes. These guns and appliances have been augmented by the purchase from the Admiralty of additional modern guns, rangefinders, fire control instruments and instructional gear, which have likewise been divided between the training centres.

The stocks of Naval Armament stores at both Halifax and Esquimalt have been depleted of all obsolete and unserviceable stores and where necessary replaced by modern equipment. The following statement of values of stores shown as Canadian, include all stores returned from H.M.C.S. *Aurora* on paying off, which were a free gift from the Imperial Government together with the reserves also presented with the squadron:—

VALUE OF STORES ON MARCH 31, 1922

At Halifax	Canadian stock	\$ 797,791 24
	Imperial stock.	626,296 61
	Total.....	\$ 1,424,087 85
At Esquimalt—	Canadian stock	\$ 68,167 00
	Imperial stock...	119,491.25
	Total	\$ 187,658.25

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The following represents the value of the receipts and issues made during the year; the inflated receipts being due to the return of all stores from H.M.C.S. *Aurora* on paying off:—

Receipts—At Halifax.....	\$ 321,644.17
At Esquimalt.....	3,857.27
Issues—At Halifax.....	12,079.73
At Esquimalt.....	2,566.00

The total value of Naval Armament stores purchased during the year amounted to \$110,924.75.

Stores to the value of \$40,482 have been issued to the militia services, free of charge.

The Naval Armament store accounts of the depots, as well as of ships and establishments, have been kept and rendered in a satisfactory manner.

8. GENERAL

I have to express my appreciation for the competent manner in which officers and men of the Royal Canadian Navy, and civilian employees of the Naval Service have performed their duties during the past year.

I am, Sir,

Your obedient servant,

WALTER HOSE, Captain, R.C.N.,
Director of the Naval Service.

OTTAWA, July 15, 1923.

The Deputy Minister,
Department of National Defence,
Ottawa, Ont.

SIR,—I have the honour to submit the financial statement of the Department of National Defence (Naval Service) for the fiscal year ended March 31, 1923.

The following financial statements show the expenditure under the various appropriations amounting to \$2,333,706.40, and a revenue of \$86,033.46, also refunds on account of demobilization previous years, \$248,853.81, received by the Department of the Naval Service during the fiscal year ended March 31, 1923.

The following appropriations voted to the Naval Service, but transferred to the Department of Marine and Fisheries on July 1, 1922, are excluded from this statement,—

Fisheries Protection Service.
Hydrographic Surveys.
Radiotelegraph Service.
Tidal Service.
Patrol of the Northern Waters of Canada.

NATIONAL DEFENCE (NAVAL SERVICE)

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STATEMENT OF EXPENDITURE UNDER THE NAVAL APPROPRIATION FOR THE FISCAL YEAR ENDING MARCH 31, 1923

Ship or Establishment	Pay and Allowances	Stores and Allowances	Medical Services	a Martial Law Training, Recruiting (C'dets)	Repairs and Maintenance	Works, Lands, Buildings	Miscellaneous Effective Services	Non-effective Pay	Advances, Suspense Account, etc.	Grand Total
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
H.M.C.S. <i>Aurora</i>	107,155 97	37,891 23	4,342 79	a 14 40	1,915 27		29,268 65	22,865 28		213,952 65
" " Fuel.....		10,499 06								
" <i>Patriot</i>	76,238 71	32,575 56	2,218 83	a 32 64	19,335 04		2,172 35	5,900 48		180,904 21
" " Fuel.....		42,430 58								
" <i>Patrician</i>	65,082 86	37,323 23	1,825 21		23,804 98		4,746 36	5,274 05		203,693 17
" " Fuel.....		65,636 48								
Royal Naval College.....	33,981 18	11,938 38	670 46	b 50 00	386 39		15,430 11	14,863 05		77,319 57
Submarines <i>Ch. 14</i> and <i>Ch. 15</i>	19,241 49	4,469 53	334 00	a 6 07	563 53		1,270 41	2,932 05		28,817 08
Youths' Training Estab.....	19,437 08	8,104 18	943 89	b 240 00	1,708 04		3,581 58	807 04		34,869 01
Headquarters	39,829 96	2,028 82	71 50				11,645 62	7,508 31		61,084 21
Canadian Officers Overseas....	64,664 60	722 96	63 35				12,963 19			78,414 10
Barracks—Halifax.....	129,671 21	59,613 46	1,644 16	a 35 97		2,000 00	8,584 89	26,553 18		245,221 00
Esquimalt	45,077 60	23,970 76	690 85	b 501 86	16,616 27		14,705 79	399 55		128,300 11
R.C.N.V. Reserve.	153 25	2 10		b 235 93	42,920 53		208 87			364 22
Minesweeper <i>Festubert</i>		1,094 16			4,177 37					5,271 53
" <i>Ypres</i>		1,098 71			4,641 86		6 50			5,740 57
" <i>Armentieres</i> .	10 40				2,425 14					2,442 04
" <i>Thiepval</i>		(Credit)			20 52					(Credit)
General Account		2,559 73					2,487 47			2,539 21
Government Department Transfers.		7,225 55								9,713 02
Halifax—									1,541 85	1,541 85
Dockyard.....							796 88			796 88
Stores.....		(Credit)								(Credit)
		100,696 31)								100,696 31)
Supply Base—										
Dr. operating expenses....	382 46	48,535 24			12,852 47		6,294 99			68,065 16
(Cr. percentages.....		(Credit)								(Credit)
		10,302 62)								10,302 62)
Repair Base—										
Dr. operating expenses....	509 94				32,210 23		6,055 85			38,776 62
(Cr. percentages.....					(Credit)					(Credit)
					16,557 33)					16,557 33)
Fleet General.....	382 45				11,186 47		4,024 32			15,593 24
Armament and Torpedo Dep.	515 32	344,215 23			26,364 51		190 06			371,885 12
Vessels in Reserve	4,116 12	893 76			2,693 29		1,411 28			9,114 45
Hospital and Cemetery.....					1,493 89		20 50			1,516 39

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Esquimalt—	1,685 10	22,326 47	11,809 45	6,587 69	41,868 71
Dockyard.....		(Credit			(Credit
Stores.....		21,078 67			21,078 67)
Percentages, Cr.....		(Credit			(Credit
		7,314 09			8,741 07)
Armament and Torpedo Dep.	438 60	16,406 49			19,224 83
Vessels in Reserve.	437 42				4,892 40
Hospital and Cemetery.....		11 68			971 52
Port Defences.....	24,481 45				9,203 92
Allotments					24,481 45
Sundries					8,499 17
LESS— For stores returned on pay- ing off or closing —					
H.M.C.S. Aurora		(Credits			(Credits
Submarines Ch. 14 and Ch. 15.		272,406 46			272,406 46
Youths' Training Estab.		44,961 24			44,961 24
R. C. N. College.....		20,137 73			20,137 73
		15,530 20			15,530 20)
	633,493 17	283,966 57	206,045 07	141,310 31	1,378,927 36
		a 136 28			
		b 1,026 89			
				87,102 99	10,041 02

Total revenue of the Department of the Naval Service for the fiscal year ended March 31, 1923.....	\$ 86,033 46
Demobilization refunds previous years.....	248,853 81
	\$ 334,887 27
Net expenditure for the year on departmental appropriations.....	\$ 2,333,706 40
Value of work done and material supplied for account of other Canadian Government departments, British Admiralty and others.....	814,609 65
Gross disbursements for the year.....	\$ 3,148,316 05

Net expenditure for three months on the following appropria- tions transferred to the Department of Marine and Fisheries on July 1, 1922—	
Fisheries Protection Service.....	\$54,778 26
Hydrographic Surveys.....	91,516 59
Radio-telegraph Service.....	86,155 24
Tidal Service.....	13,730 27
Patrol of the Northern Waters of Canada.....	1,570 23
	\$247,750 59

STATEMENT OF APPROPRIATION ACCOUNTS FOR THE FISCAL YEAR 1922-1923

Service	Appropriation	Expenditure	Balance Unexpended
	\$ cts.	\$ cts.	\$ cts.
Naval service.....	1,500,000 00	1,378,927 36	121,072 64
Customs dues	500 00	23 40	476 60
Pay of temporary officers and clerks.....	20,000 00	11,941 59	8,058 41
Adjustment of war claims.....	956,800 00	764,793 80	192,006 20
	2,477,300 00	2,155,686 15	321,613 85
Civil government salaries..... \$215,220 00			
Less—Proportion of salaries of Civil Servants transferred to the Marine Department on July 1, 1922..... 78,621 30	136,598 70	128,127 69	8,471 01
Civil government contingencies.....\$ 40,000 00			
Less—Proportion of amount pertaining to services transferred to the Marine De- partment on July 1, 1922..... 18,080 90	21,919 10	18,776 72	3,142 38

RECAPITULATION

Naval Service.....	2,477,300 00	2,155,686 15	321,613 85
Civil government salaries.....	136,598 70	128,127 69	8,471 01
Civil Government contingencies.....	21,919 10	18,776 72	3,142 38
	2,635,817 80	2,302,590 56	333,227 24

Imperial Government (Special Account)—	
Disbursements..... \$466,705 08	
Carried from 1921-22..... 95,988 79	\$562,693 87
Less—Reimbursements.... 524,725 82	
Transferred to 1922-23 37,965 05	\$562,693 87
Provisional Bonus Allowance.....\$ 30,515 84	
Retirement Act, 1920—Superannuation No. 4..... 600 00	
	\$ 2,333,706 40

STATEMENT OF REVENUE FOR FISCAL YEAR ENDED MARCH 31, 1923

Casual revenue.....	\$ 81,741 19
Miscellaneous revenue.....	3,962 00
Premium, discount and exchange.....	330 27
	\$ 86,033 46
Demobilization, previous years.....	248,853 81
	\$ 334,887 27

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SUSPENSE ACCOUNTS

SHOWING VALUE OF WORK DONE AND MATERIAL SUPPLIED FOR ACCOUNT OF OTHER CANADIAN GOVERNMENT DEPARTMENTS, BRITISH ADMIRALTY, AND OTHERS

	Dr.	Cr.	Balance	
			Transferred to 1923-24	Not Transferred
	\$ cts.	\$ cts.	\$ cts.	\$ cts.
British Admiralty.....	554,857 43	520,717 68	32,091 25	2,048 50
British Ministry of Shipping.....	20,640 21	14,763 41	5,876 80	
Department of Marine and Fisheries.....	52,163 61	45,080 93	7,082 68	
Department of Militia and Defence.....	12,532 93	12,212 32	320 61	
Department of the Interior.....	7,113 16	7,085 12	28 04	
Department of Health.....	4,485 91	2,516 95	1,968 96	
Department of Customs.....	3,785 89	3,768 13	17 76
Department of Public Works.....	795 10	791 80	3 30	
Department of Soldiers' Civil Re-establishment.....	945 00	945 00	
Royal Canadian Mounted Police.....	972 77	945 48	27 29	
Air Board.....	498 45	438 27	60 18	
Canadian Government Merchant Marine.....	2,141 39	1,380 03	761 36	
			Credit	
Miscellaneous.....	153,677 80	157,687 33	10,186 26	6,176 73
	814,609 65	767,387 45	38,979 21	8,242 99

L. J. BEAUSOLEIL,
Chief Accountant.

